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PUBLIC OPINION REGARDING THE ECONOMIC SUPPORT OF SENIORS

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ABSTRACT

This study examines the extent to which the general public anticipates a future crisis regarding Canada's ability to support its elderly population and analyzes public opinion regarding a variety of policy alternatives designed to either increase revenues or reduce expenditures for seniors. The data for this study are drawn from a 1989 survey of a representative sample of the adult residents of the Province of Alberta (n=1190). This study finds that there is a widespread perception that Canada in the future will have difficulty supporting its elderly population. With respect to policy alternatives, respondents supported raising personal taxes, maintaining benefits paid to needy seniors, eliminating universal benefits, and introducing a homemaker's pension. Respondents did not support increased immigration, increased fertility, or increased emphasis on families' caring for their dependent elderly parents. Finally, respondents opposed mandatory retirement but generally planned to retire on or before their 65th birthday.

Public Opinion Regarding the Economic Support of Seniors

According to the 1986 Census, seniors made up 10.7% of the Canadian population, a figure that is projected to more than double by the year 2031 (McDaniel, 1986:106). Because of the aging of the population and the forthcoming seniors boom (reflecting the aging of the baby boom, see Stone and Fletcher, 1986), and because of the relatively high economic costs associated with older persons (e.g. old age security, institutional care), it is a common perception that Canada may have difficulty in the future supporting its elderly population (McDaniel, 1987:333-335). The general consensus among scholars today is that a "crisis scenario" greatly exaggerates any future difficulties (Denton, Feaver, and Spencer, 1987 and 1986; Denton, Li, and Spencer, 1987; Evans, 1987; Barer, et al., 1986; McDaniel, 1986:53-56; Foot, 1982; Stone and Fletcher, 1980; Stone and MacLean, 1979). Nevertheless, continuing federal budget deficits and a mounting national debt fuel the public perception that an aging population may become increasingly unaffordable. The purpose of this paper is to assess the extent to which the general public anticipates a future crisis and to examine the degree of public support for a variety of policy alternatives designed to either increase revenues or reduce expenditures for seniors.

Strategies for increasing revenues include raising taxes and/or raising the number of persons in the labour force relative to the number of retired seniors either through increased immigration (preferably of young adults), increased fertility (which would have an effect on the labour force in the future), or elimination of mandatory retirement (thereby allowing seniors to remain in the paid labour

force). (For relevant discussions of immigration and fertility, see Health and Welfare Canada, 1989; Foot, 1986; Romaniuc, 1984; McDaniel, 1986:93-101. For discussions of mandatory retirement, see Guppy, 1989; McDonald and Wanner, 1989; Stackhouse, 1988; Gunderson and Pesando, 1988; Krashinsky, 1988; Special Senate Committee on Retirement Age Policies, 1979). Strategies for reducing expenditures include reducing benefits paid to seniors and/or eliminating universal programs such as old age security which is paid to all seniors and replacing such benefits with means-tested programs which would benefit poorer seniors only. Another strategy for reducing expenditures involves encouraging families to have their dependent elderly parents come to live with them so as to reduce the public burden of care. Finally, the concept of a homemaker's pension is a strategy that could reduce the economic dependency of older persons (mostly older women) who have elected to work in the home outside of the paid labour force. (For a discussion of the homemaker's pension, see National Council of Welfare, 1984). This study explores public attitudes towards these various policy options and also examines whether these attitudes differ for men and women, seniors and non-seniors, and the economically better-off and the poor.

METHODS

In 1989, a representative sample of 1190 adult residents (18 years of age and older) of the Province of Alberta were asked questions about issues relating to the economic support of elderly persons in Canada. The Alberta sample was comprised of three sub-samples representative of Edmonton, Calgary, and the remainder of Alberta. A total of 443

Edmontonians were interviewed face-to-face as part of the Edmonton Area Survey (conducted annually since 1976). A total of 370 Calgarians and 377 Albertans living outside of Edmonton and Calgary were interviewed by telephone as part of the All Alberta Survey (conducted annually since 1987). The telephone questionnaire was about one-half the length of the face-to-face questionnaire and contained a selection of items drawn directly from the face-to-face survey instrument. The three sub-samples were combined with appropriate weights so as to represent the total adult provincial population (Kinzel, 1989).

Respondents (representing all Alberta unless otherwise indicated) were asked how much they agreed or disagreed (1=strongly disagree; 7=strongly agree) with the following statements:

1. Some people believe that there will be an "aging crisis" in the future. How much do you agree or disagree that Canada will have problems in supporting its elderly citizens. (Asked of Edmontonians only).
2. If the costs of supporting the elderly rise, personal taxes should be raised to meet these costs.
3. Only the elderly with low incomes should receive the old age security cheque.
4. If the costs of supporting the elderly rise, the elderly should receive reduced benefits (e.g. reduced old age pension benefits).
5. Canada should introduce a "homemaker's" pension plan. (Asked of Edmontonians only).

In addition, respondents were told that "The following are different policies that could help Canada support its elderly population" and asked "How strongly do you agree or disagree that:"

6. Canadians should be encouraged to have more children.
7. We should allow more immigrants to come to Canada.
8. Canadians should be encouraged to have their dependent elderly parents come and live with them.

Respondents were then asked:

9. At what age do you plan on retiring?
10. Generally speaking, do you think that mandatory retirement is a good idea?

Finally, those that thought that mandatory retirement was a good idea were asked:

11. At what age?

The methods of analysis include percentage distributions of responses to the eleven questions listed above and analyses of variance to examine the effects of age (18-34, 35-54, 55+), sex, education (0-12, 13+ years), and household income ($0-19,999, 20,000-39,999, 40,000+).

FINDINGS

Table 1 shows that three-quarters of respondents believe that Canada will have problems in supporting its elderly citizens. Over half agree that personal taxes should be increased if the costs of supporting seniors rise. While one-half of respondents agree that only the elderly with low incomes should receive old age security, nevertheless, only one-in-seven would reduce the value of benefits received by seniors. Another two-thirds would endorse the introduction of a "homemaker's" pension plan. With respect to fertility and

immigration policies, only one-in-four favoured encouraging Canadians to have more children while about one-in-five said that we should allow more immigrants to come to Canada. Respondents were split on encouraging Canadians to have their dependent elderly parents come and live with them with over a third in agreement, slightly more in disagreement, and a quarter neither agreeing nor disagreeing. With respect to retirement, over two-thirds of respondents felt that mandatory retirement is not a good idea. For the minority who said that mandatory retirement is a good idea, over half felt that retirement should occur at the age of 65, while one-quarter preferred the age of 60 and one-in-ten preferred the age of 55. Less than 10% selected ages other than 55, 60, or 65. When asked at what age the respondent actually planned on retiring, 14% said that they did not know. Of the remainder, 8.5% said that they did not intend to retire, 3.0% intended to retire at age 45, 10.3% selected the age of 50, 24.2% said age 55, 18.7% said age 60, 22.1% indicated age 65, and 3.2% would not retire until the age of 70. Ten percent of respondents selected other ages for retirement.

Table 2 shows the results of analyses of variance examining the effects of sex, age, education and income on public opinion regarding the economic support of seniors in Canada. The perception that Canada will have problems in the future supporting its senior population is widely shared and does not vary significantly by sex, age, education or income. With respect to the raising of personal taxes to support seniors, males are somewhat more likely to agree than are females ($\bar{X}$ males = 4.73 on a 7-point scale, $\bar{X}$ females = 4.47; $p = .02$). There are also significant differences for males and females with respect to

TABLE 1

Percentages of Respondents Agreeing or Disagreeing with Statements Relating to the Economic Support of Seniors

	Strongly Disagree 1	2	3	4	5	6	Strongly Agree 7
1. Some people believe that there will be an "aging crisis" in the future. How much do you agree or disagree that Canada will have problems in supporting its elderly citizens. (n = 435)	3.9	4.6	3.2	12.0	21.6	27.8	26.9
2. If the costs of support the elderly rise, personal taxes should be raised to meet these costs. (n = 1161)	9.7	7.7	8.6	18.1	21.8	18.2	16.9
3. Only the elderly with low incomes should receive the old age security cheque. (n = 1172)	21.3	8.2	8.4	11.8	13.1	15.3	21.8
4. If the costs of supporting the elderly rise, the elderly should receive reduced benefits (e.g. reduced old age pension benefits) (n = 1172)	50.6	17.9	9.3	8.4	4.4	4.6	4.8
5. Canada should introduce a "homemaker's" pension plan. (n = 430)	5.6	4.9	4.0	18.1	14.7	23.0	29.8
The following are different policies that could help Canada support its elderly population. How strongly do you agree or disagree that:							
6. Canadians should be encouraged to have more children. (n = 1158)	21.5	14.0	13.5	26.9	9.2	6.4	8.4
7. We should allow more immigrants to come to Canada. (n = 1171)	31.4	15.3	13.6	18.1	10.4	6.5	4.7
8. Canadians should be encouraged to have their dependent elderly parents come and live with them. (n = 1176)	15.9	10.8	12.1	24.9	15.3	10.9	10.1

TABLE 2

Analysis of Variance of Public Opinion Regarding the Economic Support of Seniors, by Sex, Age, Education and Income

	Significance of Main Effects				Significant Interactions
Issue	Sex	Age	Education	Income	
Canada will have problems in the future supporting seniors	.44	.80	.28	.24	
Personal taxes should be raised	.02*	.94	.90	.44	
Only poor seniors should receive old age security	.00*	.25	.94	.37	
Benefits should be reduced	.04*	.82	.03*	.11	Sex x Age x Income
Homemaker's pension should be introduced	.50	.31	.10	.71	
Encourage Canadians to have more children	.00*	.88	.69	.54	Sex x Age
Allow more immigrants to come to Canada	.23	.62	.00*	.02*	Age x Income; Age x Education x Income
Encourage Canadians to have dependent elderly parents live with them	.02*	.00*	.91	.22	Sex x Age; Age x Education
Mandatory retirement is a good idea (yes, no)[1]	.45	.00*	.00*	.04*	Sex x Income
Age for mandatory retirement[2]	.03*	.02*	.02*	.56	Sex x Education x Income
Age for own voluntary retirement	.49	.00*	.52	.00*	Sex x Age; Sex x Education

1. Test of significance is Chi-square (with Yates correction for the 2 x 2 tables).
2. Respondents include only those who felt that mandatory retirement is a good idea.

opinions regarding the restriction of old age security to only poor seniors and the reduction of seniors' benefits generally. That is, males are somewhat more likely to agree that old age security should go only to low income seniors ($\bar{X}$ males = 4.40, $\bar{X}$ females = 4.02; p = .00) but are more likely to disagree with reducing the level of seniors' benefits ($\bar{X}$ males = 2.16, $\bar{X}$ females = 2.46; p = .04). The better educated are also somewhat more likely to disagree with reducing benefit levels ($\bar{X}$ better educated = 2.17, $\bar{X}$ less educated = 2.48; p = .03). Support for a homemaker's pension is widespread with no significant differences by sex, age, income, or education. With respect to encouraging Canadians to have more children, females are more likely to be opposed ($\bar{X}$ females = 3.18, $\bar{X}$ males = 3.70; p = .00); however, while younger males are more opposed than older males, the reverse is true of females with older women (55+ years of age) being more opposed than younger women (sex x age interaction p = .03). Turning to immigration policy, the less educated and the poor are somewhat more opposed to allowing more immigrants to come to Canada ($\bar{X}$ less educated = 2.62, $\bar{X}$ better educated = 3.41; p = .00; $\bar{X}$ poor = 2.69 and $\bar{X}$s better off = 3.34 and 3.11; p = .02). There is a significant interaction between age and income (p = .00) with opposition to increased immigration being slightly greater for middle-aged and older persons who were financially disadvantaged. With respect to encouraging Canadians to have their dependent elderly parents come and live with them, females are somewhat more opposed than males ($\bar{X}$ females = 3.68, $\bar{X}$ males = 4.00; p = .02) and older persons (55+ years of age) are somewhat more opposed than younger persons ($\bar{X}$ 55+ = 3.31, $\bar{X}$ 35-54 = 3.87, $\bar{X}$ 18-34 = 4.04; p = .00). Furthermore, older females and less

educated older persons tend to be more opposed (age x sex interaction p = .04 and age x education interaction p = .01). Turning to the question of mandatory retirement, the young, the better educated, and the economically better off are somewhat more likely to say that mandatory retirement is not a good idea (73% of 18-34 year olds say it is not a good idea in comparison to 69% of 35-54 year olds and 60% of persons 55+ years of age, p = .00; 75% of the better educated say it is not a good idea in comparison to 62% of less educated, p = .00; and 73% of those earning over $40,000 say it is not a good idea in comparison to 66% of the lower income groups, p = .04). There is a sex x income interaction (p = .01) with the wealthier males being more opposed to the idea of mandatory retirement. For the minority of respondents who endorse mandatory retirement, females tend to choose a slightly higher age for forced retirement than do males ($\bar{X}$ = 62.8 versus 61.5 years of age; p = .03), older persons select a slightly higher age than do younger persons ($\bar{X}$ = 63.3 for 55+ year olds versus 62.1 for 35-54 and 61.5 for 18-34 age groups; p = .02), and the better educated would prefer forced retirement somewhat later than the less educated ($\bar{X}$ = 62.7 versus 61.6; p = .02). There is a sex x education x income interaction (p = .04) with less educated, poor females selecting the highest average age for mandatory retirement. All respondents were asked at what age they planned on retiring. Older persons and the poor tended to anticipate older ages for retirement ($\bar{X}$ = 68.1 for 55+ year olds in contrast to 61.4 for 35-54 and 57.9 for 18-34 age groups, p = .00; $\bar{X}$ = 62.4 for poor versus 61.2 and 58.7 for the better off and wealthiest income groups, p = .00). While older persons of both sexes tended to plan to retire later than younger persons, this was more true

for older males (sex x age interaction p = .01). Finally, while better educated males tended to select a slightly higher age for retirement than less educated males, the reverse was true for females with the less educated female planning to retire on average some four years later than the better educated female (sex x education interaction p = .01).

DISCUSSION

It is important to note that the results of this study reflect the opinions of Albertans and may or may not reflect the opinions of other Canadians. This study has found that there is a widespread public perception among Albertans that Canada in the future will have problems in supporting its elderly citizens. There are several possible explanations for these perceptions including awareness of the population aging trend and its causes, stereotyped perceptions regarding seniors' reliance on publicly-funded programs such as old age security and medicare, and/or perceptions that Canada is already financially imperiled having rates of spending that greatly exceed current revenues despite high rates of taxation. While demographic aging is not likely to add excessively in the future to the economic burden of supporting Canada's social programs (see literature cited in the introduction of this paper), nevertheless, the general public may continue to believe the crisis scenario or may simply believe that population aging will make a bad economic situation worse.

This study assesses public support for policies which Canada might consider as a means of increasing revenues with which to support an aging population including raising personal taxes and/or increasing the

relative number of taxpayers through heightened immigration, pro-natalist policies, and/or the elimination of mandatory retirement. While the Alberta public is generally supportive of a policy of increasing personal taxes to meet the rising costs of supporting seniors, nevertheless, Albertans appear to be rather strongly opposed to increasing immigration or encouraging increased fertility. As might be expected, females are more opposed to having more children than are males. In regards to increased immigration, the less educated and the poor -- groups that may be more threatened by immigration -- are the most opposed (for similar findings from a national survey, see Angus Reid Group Inc., 1989). With respect to mandatory retirement, there is considerable opposition evident in Alberta, nevertheless, the great majority of individuals do plan to retire and most plan to retire at or before the age of 65 (for similar results, see Guppy, 1989; Government of Canada, 1982:129). In other words, the abolition of mandatory retirement is endorsed not because of desires to work past the age of 65, but rather because of preferences for greater flexibility of options and the opportunity to determine individually the timing of retirement. Finally, mandatory retirement tends to be opposed more by young people and by the most advantaged members of society: the better educated and the economically better off.

This study also assesses public support for policies that would reduce expenditures including the elimination of universal benefits to seniors and/or the reduction of benefit levels. While a minority of Albertans strongly oppose (i.e. select 1 on the 7-point scale) the elimination of universal old age security benefits to seniors, an equal proportion strongly favour (7 on the 7-point scale) elimination.

Overall, the majority favour elimination (values 5, 6, and 7 on the 7-point scale). Nevertheless, while most respondents would completely deny benefits to better-off seniors, very few would reduce the actual levels of benefits paid to eligible seniors. It seems that there is a perception that older persons who are eligible for benefits are not being excessively remunerated.

Another policy measure which might be considered in order to reduce public expenditures involves encouraging families to have their dependent elderly parents come and live with them. Public opinion on this issue is rather divided; however, there is neither strong opposition nor strong support for this proposition (for similar findings, see Marshall, 1987:478-479). This may be because the Canadian family already provides considerable support for its older family members (Connidis, 1989:49; Stone, 1988) and because moving in with one's adult offspring is not an alternative preferred by seniors themselves (Connidis, 1983). Indeed, the survey data indicated that older respondents were more opposed than younger respondents. Furthermore, females, who typically provide the bulk of care in the home (Connidis, 1989:49-50; Gee and Kimball, 1987:86-87) were more opposed than males.

Finally, the homemaker's pension is a policy alternative that would reduce the dependency of aging homemakers. Support for this option is widespread in Alberta.

Public attitudes towards these various policy alternatives were found to be relatively consistent regardless of sex, age, or socioeconomic status. That is, while males or females, old or young, the better educated or less educated, and the economically better off

or the poor occasionally felt more or less strongly about a given issue, there was never a polarization of opinion between males and females, young and old, or rich and poor.

In conclusion, there is a widespread perception that Canada in the future will have problems supporting its elderly citizens. This study found that among the various policy alternatives that might be considered, respondents favoured raising personal taxes and would not endorse reduction in benefits paid to seniors. However, respondents would prefer that benefits be paid only to needy seniors. Respondents favoured the introduction of a homemaker's pension but opposed initiatives to raise immigration levels or encourage increased fertility. Respondents were not enthusiastic about encouraging dependent elderly parents to come and live with their grown children, in part because this is not an option preferred by seniors themselves. Finally, while there was substantial opposition to mandatory retirement, there was very little preference for late retirement (after the age of 65). Respondents would appear to look forward to a long period of retirement supported by their own resources and by public resources when necessary.

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